

SILLS CUMMIS & GROSS P.C.

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*Counsel to the Debtors
and Debtors-in-Possession*

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY**

In re:

NATIONAL REALTY INVESTMENT
ADVISORS, LLC, *et al.*¹

Debtors.

Chapter 11

Case No.: 22-14539 (JKS)

(Jointly Administered)

Hearing Date: August 23, 2022 at 10:00 a.m. (ET)
Objections Due: August 16, 2022 at 4:00 p.m. (ET)

**NOTICE OF DEBTORS' SECOND MOTION FOR ENTRY OF AN ORDER (A)
EXTENDING TIME TO FILE SCHEDULES OF ASSETS AND LIABILITIES,
SCHEDULES OF CURRENT INCOME AND EXPENDITURES, SCHEDULES OF
EXECUTORY CONTRACTS AND UNEXPIRED LEASES, STATEMENTS
OF FINANCIAL AFFAIRS, AND (B) GRANTING RELATED RELIEF**

PLEASE TAKE NOTICE that on **August 23, 2022 at 10:00 a.m. (ET)**, or as soon thereafter as counsel may be heard (the "**Hearing**"), the above-captioned debtors and debtors-in-possession (the "**Debtors**"), by and through their undersigned counsel, shall move before the Honorable John K. Sherwood, United States Bankruptcy Judge for the District of New Jersey, for entry of an order, substantially in the form submitted herewith, approving the *Debtors' Second Motion for Entry of an Order (A) Extending Time to File Schedules of Assets and Liabilities, Schedules of Current Income and Expenditures, Schedules of Executory Contracts and Unexpired Leases, Statements of Financial Affairs, and (B) Granting Related Relief* (the "**Motion**").

¹ A complete list of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors' claims and noticing agent at <https://omniagentsolutions.com/NRIA>. The location of the Debtors' service address is: 1 Harmon Plaza, Floor 9, Secaucus, New Jersey 07094.

PLEASE TAKE FURTHER NOTICE that the Debtors shall rely upon the Motion filed herewith. No brief is necessary as no novel issues of fact or law are presented by the Motion. Oral argument is requested in the event an objection is timely filed.

PLEASE TAKE FURTHER NOTICE that any responses or objections to the relief requested in the Motion must be filed with the Clerk of the Court, together with proof of service thereof, and served so as to be **actually received** **no later than 4:00 p.m. (ET) on August 16, 2022** by (a) counsel to the Debtors, Sills Cummis & Gross P.C., One Riverfront Plaza, Newark, New Jersey 07102, Attn.: S. Jason Teele, Esq., Daniel J. Harris, Esq., and Gregory A. Kopacz, Esq.; (b) the Office of the United States Trustee for the District of New Jersey, One Newark Center, Suite 2100, Newark, NJ 07102; and (c) proposed counsel to the Official Committee of Unsecured Creditors, Ice Miller LLP, 1500 Broadway, 29th Floor, New York, New York 10036, Attn: Louis DeLucia, Esq. and Alyson Fiedler, Esq.

PLEASE TAKE FURTHER NOTICE that objections to the Motion, if any, must: (a) be in writing; (b) comply with the Bankruptcy Rules, the Local Rules, and other case management rules or orders of this Court; and (c) state with particularity the legal and factual basis for the objection.

PLEASE TAKE FURTHER NOTICE that unless an objection is timely filed and served in accordance with this notice, it may not be considered by the Bankruptcy Court. In the event no objections are filed, the relief requested in the Motion may be granted without a hearing.

Dated: July 20, 2022

SILLS CUMMIS & GROSS P.C.

/s/ S. Jason Teele

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In re:

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Case No.: 22-14539 (JKS)

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**DEBTORS' SECOND MOTION FOR ENTRY OF AN ORDER (A) EXTENDING
TIME TO FILE SCHEDULES OF ASSETS AND LIABILITIES, SCHEDULES
OF CURRENT INCOME AND EXPENDITURES, SCHEDULES OF
EXECUTORY CONTRACTS AND UNEXPIRED LEASES, STATEMENTS
OF FINANCIAL AFFAIRS, AND (B) GRANTING RELATED RELIEF**

The above-captioned debtors and debtors in possession (the “**Debtors**”) submit this motion (the “**Motion**”) for entry of an order, substantially in the form attached as **Exhibit A**, (a) extending the deadline by which the Debtors must file their schedules of assets and liabilities, schedules of current income and expenditures, schedules of executory contracts and unexpired leases, and statements of financial affairs (collectively, the “**Schedules and Statements**”) by 45 days (for a total of 89 days after the Petition Date), without prejudice to the Debtors’ ability to request additional extensions, and (b) granting related relief, and respectfully state as follows:

² A complete list of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors’ claims and noticing agent at <https://omniagentsolutions.com/NRIA>. The location of the Debtors’ service address is: 1 Harmon Plaza, Floor 9, Secaucus, New Jersey 07094.

JURISDICTION

1. This Court has jurisdiction over this matter under 28 U.S.C. §§ 157 and 1334 and the *Standing Order of Reference to the Bankruptcy Court Under Title 11* of the United States District Court for the District of New Jersey, entered on July 23, 1984, and amended on September 18, 2012 (Simandle, C.J.). This is a core proceeding under 28 U.S.C. § 157(b).

2. Venue is proper under 28 U.S.C. §§ 1408 and 1409.

3. The bases for the relief requested herein are section 105(a) of title 11 of the United States Code (the “**Bankruptcy Code**”) and rules 1007, and 9006 of the Federal Rules of Bankruptcy Procedures (the “**Bankruptcy Rules**”).

BACKGROUND

4. On June 7, 2022 (the “**Petition Date**”), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code (the “**Chapter 11 Cases**”).

5. The Debtors are currently operating their businesses and managing their properties as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

6. On June 8, 2022, the Debtors filed the *Debtors’ Motion for Entry of an Order (A) Extending Time to File Schedules of Assets and Liabilities, Schedules of Current Income and Expenditures, Schedules of Executory Contracts and Unexpired Leases, Statements of Financial Affairs, and (B) Granting Related Relief* [Docket No. 7] (the “**First Schedules Extension Motion**”).

7. On June 9, 2022, this Court entered an order granting the First Schedules Extension Motion [Docket No. 23] (the “**Schedules Extension Order**”), pursuant to which the Debtors’ deadline to file their Schedules and Statements was extended by “30 days (for a total of 44 days after the Petition Date), without prejudice to the Debtors’ right to seek additional extensions.” *See Schedules Extension Order* ¶ 2.

8. On June 30, 2022, the U.S. Trustee appointed an official committee of unsecured creditors [Docket No. 94] (the “**Committee**”).

9. On July 6, 2022, the Debtors filed the *Debtors' Application for Entry of an Order Authorizing the Employment and Retention of Eisner Advisory Group LLC as Financial Advisor to the Debtors and Debtors in Possession Effective as of the Petition Date* [Docket No. 105] (the "**Eisner Retention Application**"), so that, among other things, Eisner could assist the Debtors in preparing their Schedules and Statements.

10. Additional background facts surrounding the commencement of these Chapter 11 Cases are more fully described in the First Day Declaration.

RELIEF REQUESTED

11. By this Motion, the Debtors request entry of an order (a) extending the deadline by which the Debtors must file their Schedules and Statements by an additional 45 days, without prejudice to the Debtors' ability to request additional extensions, and (b) granting related relief.

BASIS FOR RELIEF

12. Rule 1007(c) of the Bankruptcy Rules states that a debtor must file its Schedules and Statements "with the petition or within 14 days thereafter . . ." However, pursuant to Bankruptcy Rules 1007(c) and 9006(b), the Court is authorized to extend this deadline for "cause." *See* Fed. R. Bankr. P. 1007(c) and 9006(b).

13. The Debtors respectfully submit that cause exists to grant the relief requested herein. As was discussed during the hearing on July 19, 2022, preparing the Debtors' Schedules and Statements is a massive undertaking, requiring the Debtors to compile information from books, records, and documents relating to a voluminous number of claims, assets, and contracts. Many of the materials necessary to complete the Debtors' Schedules and Statements, most notably financial statements and accounting records, were prepared by the former management and require careful evaluation and reconciliation to ensure accuracy and completeness. Moreover, the Debtors' business operations are complex. Collecting all necessary information requires a significant expenditure of time and effort on the part of the Debtors, their management, their employees and their professionals, including the Debtors' proposed financial advisor, who was retained, in part, to assist the Debtors in the preparation of their Schedules and

Statements. Although the work necessary to complete the Schedules and Statements began prior to the Petition Date and is continuing at an accelerated rate, additional time is necessary to complete the documents.

14. The relief requested herein is also necessary because the Chapter 11 petitions for each of the Debtors, including National Realty Investment Advisors, LLC and NRIA Partners Portfolio Fund I LLC, indicate that the estimated assets and liabilities are between \$0 and \$50,000 and the estimated creditors are between one (1) and forty-nine (49). The Debtors – with the assistance of their proposed financial advisor – are still compiling this information and will include more accurate figures in the Schedules and Statements.

15. In short, given the amount of work entailed in completing the Schedules and Statements and the competing demands on the Debtors' employees and professionals to stabilize the Debtors' business operations during this critical period, the Debtors' resources are strained and it is simply not reasonably practical for the Debtors to timely collect and organize all information needed to prepare their Schedules and Statements, unless an extension of the pertinent deadline is granted.

16. Accordingly, the Debtors submit that a further forty-five day extension is warranted, necessary and appropriate to provide the Debtors' – and their financial advisor (whose retention application was recently filed) – time to update the Debtors' books and records and prepare their Schedules and Statements. Notably, as stated on the record at the July 19, 2022 hearing, the Debtors intend to begin filing their Schedules and Statements on a rolling basis, and hope to have many such Schedules and Statements filed in advance of the requested deadline.

17. Finally, an extension will not harm creditors or other parties in interest because, even under the proposed extended deadline, the Debtors will file the Schedules and Statements in advance of any deadline for filing proofs of claim in these Chapter 11 Cases. In this regard, the Debtors note that they have spoken to both the U.S. Trustee and counsel to the Committee regarding their need for additional time to file the Schedules and Statements and, to date, neither party has indicated that it objects to the requested extension.

18. Accordingly, the Debtors submit that a 45-day extension of time to file the Schedules and Statements, without prejudice to their ability to request additional extensions, is appropriate and warranted under the circumstances.

WAIVER OF MEMORANDUM OF LAW

19. Because the legal basis upon which the Debtors rely is incorporated herein and the Motion does not raise any novel issues of law, the Debtors request that the Court waive the requirements to file a separate memorandum of law pursuant to D.N.J. LBR 9013-1(a)(3).

NO PRIOR REQUEST

20. No prior request for the relief sought herein has been made to this or any other court.

NOTICE

21. Notice of this Motion has been given to: (i) the Office of the United States Trustee for the District of New Jersey, One Newark Center, Suite 2100, Newark, NJ 07102; (ii) proposed counsel to the Committee; (iii) the Debtors' thirty largest unsecured creditors on a consolidated basis and the Debtors' thirty largest investors on a consolidated basis; (iv) S3 RE Bergenline Funding, LLC, S3 RE 1300 Manhattan Funding LLC and Toorak Capital Partners; (v) the U.S. Attorney General; (vi) the Internal Revenue Service; (vii) the Securities and Exchange Commission; (viii) the New Jersey Attorney General; (ix) the U.S. Attorney for the District of New Jersey; (x) the New Jersey Division of Taxation; (xi) the New Jersey Bureau of Securities; (xii) the New York Attorney General; (xiii) the New York Department of Taxation and Finance; (xiv) the Florida Attorney General; (xv) the Florida Department of Revenue; (xvi) the Illinois Attorney General; (xvii) the Illinois Department of Revenue; (xviii) the Illinois Securities Department; (xix) the Alabama Attorney General; (xx) the Alabama Department of Revenue; (xxi) the Alabama Securities Commission; and (xxii) those parties who have filed a notice of appearance and request for service of pleadings in these Chapter 11 Cases pursuant to Bankruptcy Rule 2002. In light of the nature of the relief requested herein, the Debtors submit that no other or further notice is required.

CONCLUSION

WHEREFORE, the Debtors respectfully request entry of an order, substantially in the form attached as **Exhibit A**, granting the relief requested herein and granting such other relief as is just and proper.

Dated: July 20, 2022

SILLS CUMMIS & GROSS P.C.

/s/ S. Jason Teele

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